

Environmental Risk Management

Understanding the Risk

In recent years there has been a growing recognition of the need to scrutinize the activities of environmentally more hazardous organisations more carefully and to reduce risks wherever this is appropriate and practicable.

One reason for this is that over the last 20 years or so, the loss potential of environmental risks has increased significantly in terms of compliance, clean-up costs and damage to reputation and brand image.

On a global scale, environmental issues have grown from traditional risks such as land contamination and air emissions to include sustainable use of resources, ozone depleting substances and global warming concerns. The contribution of industry to these impacts, and the control exercised by individual industrial locations is now closely monitored by regulators and other stakeholders.

Adequate environmental investigation and assessment of organisation activities ensures the identification of key environmental areas of concern, potential liabilities, or upgrading requirements.

Controlling the Hazard

Various techniques have been developed for environmental investigation and evaluation of an organisation's activities. Programmes are normally set up as an integrated systematic review, with the following key elements:

- the investigation of organisation activities including the identification of potential loss producing situations;
- the assessment against legal requirements and industry standards;
- the preparation of recommendations to improve environmental performance and/or to mitigate industrial impacts on the environment;
- follow-up procedures to ensure that identified problems are appropriately dealt with.

The environmental programme of an organisation as a whole should combine elements of adequate design and operation, with suitable maintenance and site-specific procedures, staff training and development, as well as effective emergency management.

Whatever the size or nature of an organisation activities, there is a need to address the following environmental key items:



- locations and surroundings of the site;
- history and development of the site as well as present site operations;
- analysis of key processes, equipment and installations (production, storage) and evaluation of technical standards;
- material storage and handling, including storage facilities such as above-ground and underground tanks (AST/UST);
- emissions to air and/or water, waste-water treatment, sewer investigations;
- storage and handling of waste (waste management);
- impact on solid, surface water and groundwater both from current activities and also historical activities at a site;
- environmental management systems and organisational programmes to control impacts;
- legislation and regulatory requirements as well as the current status of environmental compliance.

This overview provides an outline framework for the investigation of site specific environmental risk assessments. Such a risk assessment is necessary to identify potential deficiencies that may lead to unexpected environmental impacts and to identify cost effective compliance and risk reduction measures.

For further information, contact your local AIG risk engineer.

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